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BACKGROUNDER 1-0425 MARCH 24, 1976
ORTIZ/BUENOS AIRES

MARIA ESTELA PERON'S PRESIDENCY

ANNCR:

IN BUENOS AIRES, THE GOVERNMENT OF MARIA ESTELA PERON HAS BEEN OVERTHROWN BY A MILITARY COUP. VOA'S AL ORTIZ HAS THESE RELECTIONS ON MISSUS PERON'S PRESIDENCY IN THIS BACKGROUND REPORT FROM THE ARGENTINE CAPITAL.

VOICE:

WHEN MARIA ESTELA PERON BECAME PRESIDENT OF ARGENTINA ON JULY FIRST, NINETEEN SEVENTY-FOUR, THERE WAS HOPE THAT THE DIFFERENCES WITHIN THE RULING PERONIST LABOR MOVEMENT COULD BE RECONCILED. SHE ASSUMED OFFICE UPON THE DEATH OF HER HUSBAND, THE LATE PRESIDENT JUAN PERON, WHO WAS A HERO TO THE ARGENTINE WORKERS. HE CHOSE HER AS HIS VICE-PRESIDENTIAL RUNNING MATE IN THE NINETEEN SEVENTY-THREE ELECTION.

THE FORMER DANCER WHO MET JUAN PERON WHILE HE WAS LIVING IN EXILE WAS POLITICALLY INEXPERIENCED -- NEITHER RIGHT WING NOR LEFT WING, BUT A FIRM BELIEVER IN GENERAL PERON'S POWERFUL LABOR MOVEMENT. AS MISSUS PERON TOOK OFFICE, MEMBERS OF ALL POLITICAL FACTIONS AND OPPOSITION PARTIES PLEDGED THEIR SUPPORT TO UNIFY THE COUNTRY. BUT THE POLITICAL TRUCE AND GOODWILL DID NOT LAST LONG. RIVAL FACTIONS WITHIN THE PERONIST MOVEMENT VIED FOR POSITIONS OF INFLUENCE IN MISSUS PERON'S CABINET, AND THE CONSERVATIVES WON UNDER THE LEADERSHIP OF JOSE LOPEZ REGA, WHO BECAME MISSUS PERON'S PERSONAL SECRETARY AND HER SOCIAL WELFARE MINISTER.

THE EXTREME LEFT-WING PERONIST MONTONEROS WENT UNDERGROUND AND DECLARED OPEN GUERRILLA WAR AGAINST MISSUS PERON'S GOVERNMENT. THAT WAS SOON FOLLOWED BY THE FORMATION OF AN EXTREME RIGHT-WING TERRORIST GROUP REPORTEDLY CONNECTED WITH MISTER LOPEZ REGA. BY MID-NINETEEN SEVENTY-FIVE, MISSUS PERON HAD BECOME ISOLATED FROM THE MODERATE AND LIBERAL MEMBERS OF HER PARTY. SHE WAS DEMANDING STRICT ALLEGIANCE FROM ALL PARTY MEMBERS WHO FELT INCREASINGLY LOCKED OUT OF HER GOVERNMENT.

HER LEADERSHIP WAS OPENLY QUESTIONED IN JULY OF LAST YEAR WHEN WORKERS PARALYZED ARGENTINE WITH A TWO-DAY GENERAL STRIKE TO DEMAND HIGHER WAGES AND THE OUSTER OF MISTER LOPEZ REGA. BOTH DEMANDS WERE MET. BUT WITH EVERY NEW CABINET RESHUFFLE, MISSUS PERON SURROUNDED HERSELF WITH CONSERVATIVES LOYAL TO THE IDEAS -- IF NOT TO THE ACTUAL ORDERS -- OF MISTER LOPEZ REGA. OPPOSITION LEADERS AND DISSIDENT MEMBERS OF HER OWN PARTY BEGAN DEMANDING HER RESIGNATION. SHE REFUSED. CONGRESSIONAL AND COURT INVESTIGATIONS DISCLOSED EVIDENCE OF WIDESPREAD CORRUPTION IN HER ADMINISTRATION -- CORRUPTION LINKED DIRECTLY TO MISTER LOPEZ REGA. MISSUS PERON PROMISED TO PURGE HER ADMINISTRATION, BUT REFUSED TO THE END THE CONSERVATIVE COLORATION OF HER GOVERNMENT. AN OPPOSITION TO MOVE TO IMPEACH MISSUS PERON FOR CORRUPTION AND MALADMINISTRATION WAS VOTED DOWN BY HER PARTY.

LABOR UNREST RESURFACED WHEN THE ARGENTINE GOVERNMENT ANNOUNCED ANOTHER ECONOMIC AUSTERITY PROGRAM IN EARLY MARCH OF THIS YEAR. BY NOW, POLITICAL AND LABOR LEADERS ALIKE WERE TALKING OF THE NEED FOR A POLITICAL SOLUTION TO AVOID A MORE DRASTIC MILITARY SOLUTION. BUT THE PERONIST MOVEMENT WAS

UNABLE TO PULL ITSELF TOGETHER -- EVEN TO DISCUSS THE GROWING DEMANDS FOR MISSUS PERON'S REMOVAL. BY MID-MARCH, INFLATION WAS HEADING FOR AN ANNUAL RATE OF OVER SIX HUNDRED PERCENT. LEFTIST GUERRILLAS WERE ATTACKING MILITARY AND POLITICAL TARGETS SEEMINGLY AT WILL. AND THE FORTY-FIVE-YEAR-OLD WIDOW PRESIDENT INSISTED THAT SHE STILL HAD THE SUPPORT OF THE WORKERS.

ARMY COMMANDER GENERAL JORGE VIDELA TOLD MISSUS PERON'S DEFENSE MINISTER THAT THE MILITARY WAS PREPARED TO MOVE IN IF TOTAL CHAOS ERUPTED. AND HE SAID THE MILITARY HAD ALREADY BEGUN THE COUNTDOWN TO WHAT HE CALLED AN EXTREME MEASURE OF FORCE.

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